

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING  
whether there has been a violation  
of the Securities Act of Washington by:

JAY D. KAISER, SENIOR ADVISOR, INC., a  
Washington corporation, and JAY D. KAISER,  
individually,

Respondents.

SDO - 015 - 02

SUMMARY ORDER TO CEASE AND DESIST  
AND NOTICE OF INTENT TO IMPOSE FINES  
AND ORDER AFFIRMATIVE RELIEF

Case No. 01 - 04 - 122

THE STATE OF  
WASHINGTON TO:

Jay D. Kaiser, Senior Advisor, Inc.  
Jay D. Kaiser, President  
2611 NE 125th, Suite 106  
Seattle, WA 98125

Jay D. Kaiser  
1612 44th Avenue SW  
Seattle, WA 98116

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Jay D. Kaiser, Senior Advisor, Inc., a Washington corporation, and Jay D. Kaiser, individually, have each violated the Securities Act of Washington, Chapter 21.20 RCW, and that their violations justify the entry of an order by the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. Respondents

1. Jay D. Kaiser, Senior Advisor, Inc. ("Advisor") is a closely held Washington for-profit corporation authorized to do business December 21, 1998. Advisor's primary place of business is located at 2611 NE 125th Street, Suite 106, in Seattle, Washington. Advisor provides financial and investment advice to senior citizens and others primarily relating to income tax reduction, asset protection, and long-term care planning. Advisor is neither a Federally nor a State licensed investment adviser.

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Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

2. Jay D. Kaiser ("Kaiser") is the Chairman, President, and sole officer of Advisor. Kaiser has been licensed by the Office of the Insurance Commissioner as an insurance agent since October 18, 1993, and currently hold a license to sell life and disability insurance. Kaiser is neither a Federally nor a State licensed investment adviser representative. Kaiser resides in Seattle.

## II. Nature of the Violations

3. Beginning on or about January 1, 1993, and continuing through October 17, 2001, Respondents provided investment advice for compensation. Beginning on or about February 1997, Respondents conducted free introductory seminars throughout Western Washington. During the seminar, Respondent Kaiser provided basic information about how seniors could protect their assets, focusing on fighting inflation, reducing taxes, and paying for long-term medical care. Throughout the seminar, Respondent Kaiser solicited attendees to retain the services of Respondents, offering \$100 discounts to attendees who signed up and paid in full at the seminar, and \$50 discounts to attendees who signed up at a later date.

4. Attendees who decided to retain Respondents were asked to sign a "Fee Agreement" disclosing the terms of the retainer, including the fee. The fee before discount ranged from \$195 in 1997 to \$495 in 1999. In November 1999, the Fee Agreement provided that the relationship between Respondents and a client was one of Client/Advisor; covered a period of one year; that the Advisor would conduct an analysis of the client's financial situation and make recommendations based on that analysis; and that the Advisor was not a financial planner, investment adviser, investment counselor, or attorney.

5. Once the client indicated a desire to retain Respondents, Respondents set an appointment for an interview with the client. Respondents instructed clients to bring to the interview information related to their financial situation. Respondents used the information from the interview to prepare recommendations.

6. Respondents advised some clients to transfer and/or sell securities to finance the purchase of fixed annuities and other insurance products.

1 7. At all times material to this action, Respondent Advisor was not registered as an investment adviser in the  
2 State of Washington, was not exempt from State or Federal registration, and was not registered or exempt  
3 from registration under the Investment Company Act of 1940.

4 8. At all times material to this action, Respondent Kaiser was not registered as an investment adviser  
5 representative in the State of Washington, was not exempt from State or Federal registration, and was not  
6 registered or exempt from registration under the Investment Company Act of 1940.

7  
8 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

9 **CONCLUSIONS OF LAW**

- 10 1. The provision of advice, for compensation, to transfer and/or sell securities, constitutes acting as an  
11 "investment adviser" and/or "investment adviser representative" as defined in RCW 21.20.005(6) and (14).  
12 2. Respondents have each violated RCW 21.20.040 by acting as an investment adviser and/or investment  
13 adviser representative while not registered with the Securities Division of the State of Washington.

14  
15 **EMERGENCY**

16 Based upon the foregoing, the Securities Administrator finds that an emergency exists and that  
17 Respondents' continued violations of RCW 21.20.040 constitutes a threat to investors and to the public. The  
18 Securities Administrator finds that a Summary Order to Cease and Desist is in the public interest and  
19 necessary for the protection of the investing public and should be entered immediately.

20  
21 **SUMMARY ORDER**

22 Based upon the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that  
23 Respondents Jay D. Kaiser, Senior Advisor, Inc. and Jay D. Kaiser, and their officers, directors, employees,

1 partners, agents, subsidiaries, successors, and all persons in active concert or participation with any of them,  
2 shall each cease and desist from acting as unregistered investment advisers and/or unregistered investment  
3 adviser representatives in violation of RCW 21.20.040, the investment adviser and investment adviser  
4 representative registration section of the Securities Act.

#### 5 6 NOTICE OF INTENT TO IMPOSE FINES

7 Based upon the provision of investment advice for compensation to more than fifty Washington residents,  
8 by an unregistered investment adviser and/or unregistered investment adviser representative, and upon the  
9 above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that one or more  
10 knowing or reckless violations of the Securities Act have occurred such that the imposition of fines is  
11 warranted pursuant to RCW 21.20.395. Therefore, the Securities Administrator intends to order that  
12 Respondents Jay D. Kaiser, Senior Advisor, Inc. and Jay D. Kaiser shall be jointly and severally liable for,  
13 and shall pay, a fine in the amount of Ten Thousand Dollars (\$10,000).

#### 14 15 NOTICE OF INTENT TO ORDER AFFIRMATIVE ACTION

16 Pursuant to RCW 21.20.390, and based upon the above Tentative Findings of Fact and Conclusions of  
17 Law, the Securities Administrator intends to order that Respondents shall be jointly and severally liable for  
18 and shall take appropriate affirmative action to correct conditions resulting from the violations, including,  
19 without limitation, a requirement to provide notice of this action and an opportunity for refunds of fees to  
20 clients who were advised to transfer and/or sell securities.

AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395, and is subject to the provisions of the Administrative Procedures Act, Chapter 34.05 RCW. Respondents may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order. If any Respondent does not request a hearing, as to that Respondent, the Securities Administrator intends to adopt the above Tentative Findings of Fact, Conclusions of Law, and Summary Order as final, impose the fines sought, and order the affirmative relief requested.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

ENTERED this 16th day of May, 2002.



Deborah R. Bortner, WSBA # 11300  
Securities Administrator

Approved by:

Presented by:

\_\_\_\_\_/s/\_\_\_\_\_  
Michael E. Stevenson, WSBA # 4875  
Chief of Enforcement

\_\_\_\_\_/s/\_\_\_\_\_  
Anthony W. Carter, WSBA # 29587  
Staff Attorney